

view—remain untreated because insurance discrimination limits their access.

I am glad the President has asked all Americans for a commitment to bridge the insurance divide between people who are physically and mentally ill. Americans with mental illness deserve our attention. I believe we can and should this year act on mental health parity legislation that bridges those coverage chasms and also controls new health care costs.

For my part, I intend to continue working with my friend and colleague, Senator DOMENICI, on this important issue to ensure that nondiscrimination is the law of the land. We can do this in a bipartisan, fiscally responsible way, and I look forward to getting it done this year.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED—Continued

Mr. HOLLINGS. Mr. President, with respect to calling up the Andean trade pact for debate, someone could immediately question why the delay, trying to hold up on the actual calling of the bill? There will be plenty of time to submit amendments. I do not know of a more serious topic that will be discussed this year in the Congress, and yet discussion should be two ways: Those who are ready to propose and propound, and those who are ready to object to and explain why this is not in the economic interest of the United States. It is a one-way street, though, as it appears, in the Senate.

The temptation is to have a live quorum so somebody can be talked to. This has been the typical treatment of trade in the United States now for the past several years. What really happens is those for the fast-track agreement work on the members to vote their way. By one vote, the House passed it, with what my friend from Arizona, Senator MCCAIN, would call pork—little favors here, little favors there. After the passage of NAFTA some 8 years ago in 1994, the New York Times ran a story of the 26 different favors done by President Clinton at that particular time to get NAFTA and fast track passed. I think it was Congressman Pickle, who got a cultural center down in Austin, TX; another Congressman got a round of golf; another Congressman got a round of golf personally with the President of the United States; another Congressman got two B-17 contracts, and so on. The New

York Times wrote of the 26 different votes that were changed.

There was only one important vote to change this particular time in the House. When it comes to the Senate Finance Committee, it is an easy fix. Once it is fixed and ready to be presented in the Senate, they withhold the presentation of the particular measure until they have 60 votes to make sure they can get cloture as they cut off debate, limit the amendments, and limit the time for each of the individual Senators. And since the Senators know the debate is limited and the vote is fixed, no one listens.

I have to express my gratitude to the distinguished Senator from Minnesota for coming because I do not know of a more important subject than this. While cloture is obtained later at 6 p.m. today, we will again try to withhold the actual finalizing of the debate with another cloture vote after we present some amendments.

The bottom line is, if one had to answer their opposition it would be difficult to do. They are putting out the Andean trade bill, combining it with the come-ons not only of fast track but trade adjustment assistance, and they put those amendments on and then pass it altogether. After they have bundled together various wants, namely trade adjustment assistance and the fast track which the White House wants; and, of course, the Andean trade bill which others interested in this particular hemisphere want, what happens then is they package together and get a bad deal for America.

I say that advisedly for the simple reason, we are exporting jobs faster than we can create them. What happens is that in trying to create them, we are really facing organized society politically, economically, financially, and otherwise, in the United States against us. It is a very interesting thing.

I think about my friend Robert Kennedy. I have had his desk for years in the Senate. Robert Kennedy came to political notoriety in a book called "The Enemy Within." He was writing about James Hoffa and organized labor.

Today I could write a book on the enemy within. Instead of labor, it is management. How does that occur? It occurs because 30 percent of production costs, 30 percent of volume, is in labor. In manufacturing, particularly, 20 percent of manufacturing costs can be saved by moving production or manufacturing offshore, to a low-wage country such as Mexico. If you have \$500 million in sales at a manufacturing facility, you can make \$100 million pretax profit by moving offshore. Just keep your executive office and your sales force in-country and move your production offshore and you have made yourself \$100 million. Or you can continue to work your own people and go bankrupt.

That is the job policy of the U.S. Government today. That is the job policy of the Senate. Who is supporting

this? The Business Roundtable, the Conference Board, the U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Federation of Independent Business.

My friend, Tom Donohue, at the Chamber of Commerce, has it orchestrated where the five move in. I saw it with Y2K. Chicken Little, the sky was going to fall if we did not hurry and pass that particular provision to protect Silicon Valley. Of course, the Republicans and Democrats were fighting hard in the Silicon Valley to get their financial contributions. The fight was not to protect the computers. It was to protect the financial wherewithal of campaigns. They could care less about Main Street America. They are for offshore production, thereby the offshore creation of jobs outside of America.

There is more. I will never forget the debates we had with respect to textile bills in my time. We passed five textile bills through the Senate. One did not get past the House; the other four that did were all vetoed after the President, of course, promised to sign them. The President promised to sign them in my State, in the city of Greenville, the heart of textile industry. They forget about that.

I bought a shirt made in China and one made in New Jersey. I bought a catcher's mitt. One made in Korea and one made in Grand Rapids, MI. I showed that the markup on the imported article was much greater.

So the retailers are getting behind the movement of big business. Who follows behind? The newspapers. The retailers are seeing the newspapers hand out free trade, free trade, fast track, fast track. They are like parrots. The majority of the newspapers are for retail advertising. So they, in turn, join in. You ought to see how the special trade representatives are representing the Government in these giveaway programs. They have literally drained the jobs from the United States of America.

I was reading a book that has become required reading in the Washington area, "Theodore Rex," by Mr. Edmund Morris. He is describing the United States of America at the turn of the century, 100 years ago: The United States could consume only a fraction of what it produced.

More than half the world's cotton, corn, copper, and oil flowed from the American cornucopia, and at least one third of all steel, iron, silver, and gold. Current advertisements in British magazines gave the impression that the typical Englishman woke to the ring of an Ingersoll alarm, shaved with a Gillette razor, combed his hair with Vaseline tonic, buttoned his Arrow shirt, hurried downstairs for Quaker Oats, California Figs, and Maxwell House Coffee, commuted in a Westinghouse tram (body by Fisher), rose to his office in an Otis elevator, and worked all day with his Waterman pen under the efficient glare of Edison lightbulbs. "It only remains," one Fleet Street wag suggested, "for us to take American coal to New Castle."

Behind the joke lay real concern: The United States was already supplying

beer to Germany, pottery to Bohemia, and oranges to Valencia.

Now, instead of that Ingersoll alarm, we get that from Malaysia, Korea, or of course an expensive one from Switzerland. With respect to the Gillette razor, it comes from either Mexico or China. With respect to the Arrow shirt, we have bought those shirts out of China. And instead of the coffee, it is Brazilian or Colombian coffee. When they have mentioned that Westinghouse tram, I took the Acela, the fast Amtrak train the other day to New York, and found out it was made in Canada. When I got to Penn Station, I was sniffed by the dog from Czechoslovakia. The police dogs have been so over bred in the United States they have lost their smell propensities. So the dogs, now, for security, are imported from Czechoslovakia.

Now we have lost the watches, the cameras, the electronics. We are about to lose all the steel business and everything else. I could go down the list. We don't produce anything much to export, export, export as the fast track, fast track, fast track crowd will have us.

The fact is, more than half of what we consume today is imported. The majority of our consumption is imported articles, including furniture. I had to rebuild a house, and to my surprise I had to get furniture from the Philippines and Vietnam.

Yes, buy America, buy America. Well, I was a champion, still am, I hope, of trying to buy America, but I used to represent a bunch of automobile dealers. I think it was 20 some years ago, when I bought an American car, a Pontiac. I drove in front of my neighbor's place. He said:

How much did you pay for that car, Fritz?

I said:

I don't know, let me look at the sticker price.

As I looked at the sticker price—this was over 20 years ago it said—"Montreal, Canada." I had a foreign car. Why? Because automobile production had already moved across the border to save \$800 per health contract on each of its employees.

But the so-called high-tech industry was supposed to save us. That was the motor of growth. We tried to point out in one of those debates during the 1990s, here, in the last 10 years, when we had this wonderful growth, that it wasn't the motor of growth at all because 42 percent of Silicon Valley was on part-time, and one-third of the Microsoft employees had to sue Microsoft in order to get benefits. That was Senator Abraham, from Michigan, who was running around all over the Chamber for immigration, immigration, immigration.

Why? Because you can get the Indian trade, Indian production, those experts coming over from India and China at \$30,000 a year, maybe \$35,000 a year; they are just as good as any you could ever find in the United States of Amer-

ica. So they were cutting their costs. That is why. There was not any shortage, any need to retrain or everything else of that kind.

But let's complete the thought. We are in desperate circumstances. If I have to make one particular point, it is this: Your security as a nation rests, as it were, upon a three-legged stool. The first leg is the values we have as a nation—our stand for individual rights, democracy, freedom—is known and respected around the world. The second leg, the military, is unquestioned. But the economic leg has been fractured, and intentionally so.

You see, after World War II we had the only industrial production. Trying to rebuild Europe and bring the Pacific rim to capitalism versus communism in that cold war, we sent over the Marshall Plan. We sent over the expertise, we sent over the technology and the equipment—and we won. No one regrets it. Everyone is proud of it. We defeated them—capitalism defeated communism in the cold war.

I testified back in the 1950s before the old Tariff Commission when Tom Dewey, representing the Japanese, ran me around the hearing room saying: Why don't you let these Third World countries make the shoes and the clothing and we will make the airplanes and the computers?

Our problem is they make the shoes, the clothing, the airplanes, the computers, and everything else. Our manufacturers, our industrial giants, learned of this moving their manufacturing offshore to a lower wage country. As you and I sit here in the Senate, talking about the environment and our standard of living and safety and otherwise, before you can open up Nelson Manufacturing, you have to have a minimum wage, clean air, clean water, Social Security, Medicare, Medicaid, plant closing notice, parental leave, safe working place, safe machinery—I could go on and on.

You can go down for 90 cents an hour to Mexico and have none of those requirements. You are guaranteed a profit. If your competition goes, you have to go or go bankrupt.

So what is the problem? The problem is that they have all joined together, as I have described, to move the jobs out of the country, whereas you and I, as public servants, have the job of trying to create jobs.

I can see the President now, after 9-11, saying: What can we do with this crisis we are in? Take a trip, go to Disney World with your family, live normally—whatever.

I will tell you what we can do: Create a job. Give your neighbor a job. That is why I am on the floor of the Senate, trying to hold up this fast track so we can listen and learn just exactly what is in it.

Article I, section 8, of the Constitution says that the Congress—not the President, not the Supreme Court, but the Congress of the United States—shall regulate trade or foreign com-

merce. We are abdicating our responsibility. It is a fix. The agreement is made downtown on K Street and with the White House and their minions. That is what happens. The interests that come to their Representatives in the House of Representatives and the Senate are wasting their time. The Senators and the House Members have nothing to do with it. It is a done deal at the time it is proposed, when they make these lousy agreements that continue to drain the United States of its economic strength.

Other than draining us of our economic strength in that fashion, with a fixed vote, we ought to be on the floor of the Senate debating, if you please, the significance.

Henry Ford, at the time he put on mass production, said: I want to make sure my employees make enough money to buy the article they are producing—so they could buy that car they were making. As a result, he started the benefits which resulted in the middle class. The labor movement over 100 years now has had difficulty developing and thereby holding on to these particular improvements to our standard of living, to health care, to different other benefits of that kind that we have now in the production contract that has created the middle class, or the strength of democracy itself.

What I am fearful of is we are going the way of England. At the end of World War II, they told the press: Don't worry, instead of a nation of brawn, we will be a nation of brains. Instead of producing products, we will provide services. Instead of creating wealth, we will handle it and be a financial center.

England has generally gone to hell in an economic handbasket. They have the haves and the have-nots. The middle class disappears, and downtown London is an amusement park.

That is exactly the road we are on. We have to get off that highway. We have to be competitive. We have to understand the word "trade" means just that—something for something, not aid, and not developing it so that we have, as was said on the floor, something that is immoral.

I heard my distinguished colleague from Florida say it was immoral for us to go along with these countries, and to even backtrack or hold the line with respect to Andean trade—that we owe them a duty to develop it. We all want to develop everything. But you can go forward and develop and develop until you become underdeveloped, which is our predicament today. Debt overseas stirs up trouble at home.

There is an article in Business Week that I ask unanimous consent to have printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, May 6, 2002]

DEBT OVERSEAS STIRS UP TROUBLE AT HOME
(By James C. Cooper and Kathleen Madigan)

The world economies are finally mounting a recovery from last year's slump. Even the latest word on Japan is a bit more upbeat. The reason, of course, is the upturn in the U.S. economy. The U.S. led the world into a downturn that hit different regions with varying impact, and it will be the locomotive for the recovery.

But therein lies a problem. U.S. financial obligations to the rest of the world are once again on the rise as America grows ever more dependent on foreign capital to finance its growth. Back in March, Federal Reserve Chairman Alan Greenspan noted that over the past six years, about 40% of the increase in the U.S. capital stock was financed by foreign investment, a pattern that will require an ever-larger flow of interest payments going out to foreigners. "Countries that have gone down this path invariably have run into trouble," said Greenspan, "and so would we."

Greenspan was highlighting the fact that the gap between what an economy consumes and what it produces cannot continue to widen indefinitely. At some point, foreigners come to the belief that either the country's overconsumption requires a policy adjustment, or that investment opportunities elsewhere begin to look more attractive.

The most important result of this shift is the softening of the debtor nation's currency. For the U.S., a weaker dollar won't be a problem if the adjustment occurs slowly and orderly. However, currency markets rarely move that way. And any sharp change in the dollar's value could wreak havoc in the financial markets as well as portend a higher level of inflation as the price of imports begins to rise. Consequently, the U.S.'s mounting external debt is clearly the most crucial structural problem facing the economy. And unlike other recent economic troubles, there may be no easy way out.

Typically, a recession helps narrow the trade deficit. But last year's slump was anything but typical, and the U.S. external imbalance did not improve much. Now, renewed growth in U.S. demand, coupled with the potent buying power of the U.S. dollar, is drawing in imports by the boatload (chart), which once again means the U.S. trade deficit is widening sharply. The January and February increase in imported goods was the largest two-month rise in two decades.

The trade gap is the main component of the current-account deficit, which is the broadest measure of U.S. financial obligations to other countries. After last year's respite, the external debt is starting to mount up anew. Last year's current-account gap hit 4.1% of gross domestic product, and it could reach 5% by the end of 2002. That would be the largest rate in the industrialized world and larger than in many emerging-market nations.

Finance ministers from the Group of Seven industrialized countries informally voiced concern about the U.S. current-account problem in Washington on Apr. 20 during the spring meeting of the International Monetary Fund and the World Bank. Europe, in particular, expressed worries that the imbalance could eventually put the dollar, financial markets, and U.S. and world growth at risk.

One solution would be a gradual weakening in the dollar. But stemming the dollar's rise has proved difficult. Even during the official recession months of 2001, the broad trade-weighted value of the dollar continued to rise (chart). And while last year's economic slump was much worse in the U.S. than in Europe, the dollar remains slightly stronger

vs. the euro, compared with this time last year.

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Mr. HOLLINGS. Mr. President, we have a \$400 billion deficit in the balance of trade. We have a horrendous budget deficit of \$168 billion. We are in the red. Even after all the money came in on April 15, we are still in the red by \$168 billion. We are going to be around \$300 billion to \$350 billion in the red by the end of September. That is our fiscal deficit.

We are not paying the bills. We are cutting taxes. We are running around saying we ought to make permanent the temporary tax cuts, which of course cost us another \$4 trillion, and we are wondering why we have a deficit. In a similar fashion, we ought to be aware that we are in competition when we talk about trade.

Let me refer to just one little bit of history because you can't fault our globalization and trading partners. I have been in the game. In 1960, as South Carolina's governor, I took a trade mission to Latin America and to Europe. Today, we have 117 German plants in South Carolina. I will never forget calling on Michelin in downtown Paris in June of 1960 to come to America. Now, they have about 11,000 employees and 4 big facilities. I called upon Bowater in London. Now the Bowater headquarters are in Greenville, SC. We believe in trade, and we believe in development. I have to pay particular attention at this time to jobs in the United States.

That is what we did in the earliest days. We had just won our freedom when our friends in the mother country said: We will trade with the fledgling little United States of America with what it produces best, and England would trade with us what England produced best. Free trade, free trade, the doctrine of comparison advantage, as written by David Ricardo.

Alexander Hamilton wrote a little booklet, *A Report on Manufactures*. It was Hamilton and Madison who wrote our Federalist Papers. Hamilton is one of the most disregarded former Treasury Secretaries with a magnificent history of having built this industrial giant, the United States of America.

He countered to the Brits in that particular little booklet—I will not read it, but I will get a copy and put it in the RECORD during the debate—he told the Brits: Bug off. He said: We are not going to remain your colony shipping to you our coal, our timber, our rice, our cotton, our indigo, our iron ore, and import from England the manufactured products. We will become a nation state by developing our own manufacturing capacity.

As a result, on July 4, 1789, the second bill Congress passed was a protectionist measure, a tariff bill on various articles. We began the United States with protectionism.

When the Transcontinental Railroad was being built, they said: We can get the steel from England to build the

railroad. President Lincoln said: No, not at all. We are going to build up our own steel mills. When we get through, we will not only have the Transcontinental Railroad but we will have the steel capacity.

Lincoln provided protectionism for steel; Roosevelt for agriculture; and Dwight Eisenhower in the 1950s, provided protectionism for oil with import quotas on oil. We built this industrial giant, the United States of America, with protectionism.

Don't go around here with these silly childish pollsters saying: Yes, you have to be for free trade, free trade. They do not know anything about it. They know nothing about the economy. They know nothing about the creation of jobs. They have never been in the business of trying to create jobs and bringing industrial expansion to your State and to this country. They just do not know. They automatically ask to be given free trade, free trade. The truth of the matter is that we have to put in a competitive trade policy.

Since I mentioned deficits, I would be glad if I could get a cosponsor or another vote in this body to put on a value-added tax. These are serious times. During every moment of the history of the United States of America in war, we paid for the war. We put on special tax and revenue provisions to pay for the war.

Now we have a President who comes and says: We are at war. We are going to have to run deficits. And, incidentally, the war will never end.

What kind of leadership is that? I would put on a value-added tax and say: Pay for that war. Get the deficits down. If anybody within the sound of my voice wants to help cosponsor it, let me know. I have put it in before at least two-times. I have thought it through thoroughly. One of the biggest disadvantages we have is we are the only industrialized nation that does not have that tax.

How does that work to our disadvantage?

If I manufacture this desk in the United States of America, in Washington, I have to pay all the different taxes. If I am over in Virginia, or in Maryland, I pay the State taxes, the corporate taxes, the personal income taxes, and I ship it to Europe and to downtown Paris. They will put on a 17-percent value-added tax.

In contrast, if I manufacture that desk in Europe, in Paris, they will put on a 17-percent value-added tax, but they rebate it when it leaves the border and is exported to Washington, DC. It is a given. The value-added taxes are rebated at the border. That is a big advantage which all of the trading partners have with us.

If we are going to get serious about fast track and Andean trade, I am not particularly interested in a copout.

Let's remove that 17-percent disadvantage immediately and pay for the government we are giving the people of the United States of America here this year.

Yes, by the end of September we are going to spend some \$300 billion more than we take in. We can pay for it. We always have, but not under the leadership here. Everything is: Let's have more loss of the revenues. Let's run up the debt, the current accounts deficit and debt, the trade deficit, and the fiscal deficit of the United States of America. It is a tragic thing. But we could easily get that done.

Now, those competing nations say: Look, don't give me this environment stuff. Don't give me this label stuff. There is no chance of putting on the label and environmental protections, say the Mexicans, as we have here in the United States. That is an advantage. As long as those people suffer, that is a disadvantage as we see it, but that is an advantage to them, and they are going to continue so they can build up themselves economically and strong just as the United States of America did in its earliest days.

We did not even pass the income tax until 1913. We financed our entire Government with tariffs and protectionism. But we run around now in the 21st century: free trade, free trade, that we can't have any increase in taxes or pay the bill.

It's a very peculiar thing. If I run for Governor of South Carolina, I have to go all over the State and promise that I will pay the bill. If I run for the U.S. Senate in the same State, I run all over the same State promising I will not pay the bill. It is the same people, but that is the way the pollsters have conditioned it, and that is the way the media has covered that particular predicament. They have no idea. Yes, David Broder, the pre-eminent columnist, pointed out over the weekend how all the Governors and all the mayors all over the country are having to cut educational budgets, or else lose their credit ratings. If they lose their credit ratings, then they get no development, and then they even again lose more revenues or income from their different taxes. So they are having to cut back.

But we up here in Washington are all running for reelection, saying: We will pay. Let's make the tax cut permanent. Let's lose another \$4 trillion. We don't care. By the way, there is a war on. We are going to have deficits. So sui pig. Everybody come. Anybody who wants anything, we have the money. We will just print it. And with respect to the economy, we can forget about jobs.

Let me, now that I have a good friend in the Senate Chamber, talk about the Washington solution because I have some other issues to talk about. But we have tomorrow and the next day and the next day.

Let's do it Washington's way. Washington says: Now you have to get with globalization and high tech and retrain and retrain. That was Mao Tse-tung, if I remember correctly. We are getting to be like China with Mao. And we are going to reeducate.

Well, let's say, down in Andrews, SC, where 40 years ago an Oneida plant came to the State of South Carolina to make T-shirts, now has to close. At the time of their closing, what they had was 487 employees. And the average age of the employees was 47 years of age. And then it is tomorrow morning and we have done it Washington's way. They are reeducated, they are retrained, they are now high tech, and we have 487 expert computer operators.

I ask, are you going to hire the 47-year-old computer operator or a 21-year-old computer operator? Are you going to take on the retirement costs for that 47-year-old, and take on the health costs for that 47-year-old, or are you going to cancel that on the books and take on the 21-year-old? The answer is obvious. Those people are stuck down there.

Down in Spartanburg, where we have a new BMW plant, unemployment was 3.2-percent last year. It is now at 6.1-percent. And in the surrounding counties, it is 11-percent, 12-percent, even 14-percent.

With NAFTA, we were going to create jobs, solve the immigration problem, and do away with the drug problem. It was going to be the finest thing since sliced bread. But instead of getting 200,000 jobs, we have lost 1.3 million manufacturing jobs. That is from the Bureau of Labor Statistics.

The drug problem has gotten worse, killing so many people. The immigration problem has gotten worse, to such a point that now we are passing legislation and breaking up the Immigration and Naturalization Service. I think the House is on track. We have to do something about immigration laws, and everything else of that kind.

In little South Carolina, since NAFTA we have lost 53,900 textile jobs alone. We did not create jobs. And you put my State into poverty and into welfare. And I take no comfort in the idea that now we are going to pass trade adjustment assistance like it is just a little temporary thing. The United States of America is going out of business. We are on the road, as England, of the haves and the have nots. And we are not going to be creating anything in manufacturing or producing anything to export.

So that is the trouble for the lethargic economy. It is not consumer confidence. It is not just the manufacturing because there is no manufacturing to boil up. You watch it. This recession downtime is going to last the rest of this year, and into next year, until we get a hold of ourselves and start rebuilding America.

Yes. When people ask what we should do as a result of 9-11, instead of President Bush saying, we should take a trip with our kids, getting our families to go to Disney World, let's give our neighbor a job.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I yield to my colleague from North Dakota.

The PRESIDING OFFICER. Will the Senator state whether he is speaking in support or in opposition to the cloture motion?

Mr. DORGAN. Mr. President, I ask unanimous consent the Senator from Ohio yield for a question.

Mr. DEWINE. I yield for a question.

The PRESIDING OFFICER. Is the Senator speaking in support or in opposition to the cloture motion?

Mr. DEWINE. The Senator is speaking in favor of the motion.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized following Senator DEWINE's presentation for a period of 25 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I ask that my time be taken off the time of those in favor of the motion.

The PRESIDING OFFICER. The time will be subtracted.

Mr. DEWINE. Mr. President, as the trade debate in the Senate gets underway, I rise to talk about some of the important issues involved in this debate and the vital role trade plays in our Nation's foreign policy and, really, in the health of our overall economy.

The trade legislation before us represents a tremendous opportunity, an opportunity for the United States to demonstrate its leadership in hemispheric and world trade. The sad fact is that over the last decade, the United States has not led in this area. Of the more than 130 bilateral and free trade agreements worldwide, the United States is party to just three. The European Union, on the other hand, has free trade agreements with 27 countries. Mexico, the United States and my home State of Ohio's second leading trade partner, has negotiated 25 agreements in the past 8 years—25 compared to our 3. Quite simply, we have underutilized trade as a tool in foreign policy; I believe to the detriment of our Nation and our neighbors within the Western Hemisphere.

It is in our national interest to be surrounded by stable democracies. When we trade with our Latin American neighbors, we are helping them economically, which in turn helps maintain internal stability, peace, and democratic reform.

It is also beneficial to the United States to trade within our hemisphere because if we don't, other nations and their businesses will take our markets. No country is waiting for us to act

first. In the end, the longer we wait to pursue more free trade opportunities in our hemisphere and around the globe, the more we stand to lose.

Take, for example, my home State of Ohio. The future of our economy is linked in part at least to our ability to send our products overseas. When given the chance, Ohio's business men and women and Ohio's farmers can and do compete effectively on the world stage. Just listen to these figures: Ohio exported more than \$28 billion worth of manufactured goods. In fact, one in every five manufacturing jobs in the State is tied to exports. In most years, one-third to one-half of Ohio's major cash crops in the agricultural field—corn, wheat, soybeans—is found in markets and meals outside our own country.

Look beyond Ohio to our entire hemisphere. With a combined gross domestic product of more than \$10 trillion, which encompasses 800 million people, trade with our hemispheric neighbors represents vast opportunities.

These are opportunities we simply must not ignore. Right now, Europe, Asia, and Canada are all securing their economic fortunes throughout Latin America by trading with the Mercosur, a powerful trading block consisting of Brazil, Argentina, Paraguay, and Uruguay. As of now, the Mercosur countries are the EU's largest trading partners. Two-way trade between the EU and the Mercosur totaled \$43 billion in the year 2000. That is compared to \$38 billion from the United States in the Mercosur. The EU currently imports five times more from the Mercosur than the United States does. Between 1990 and 1998, the total value of trade flows between the Mercosur and the EU increased almost 125 percent.

It is becoming increasingly obvious that the EU is not going to sit idle and let the United States gain much of a new market share in this region. In fact, just last Friday, in Brussels, the EU was working to finalize a free trade agreement with Chile. Earlier this month, the EU set out its strategy for negotiating new economic partnerships with Africa, the Caribbean, and Pacific countries. And as we speak, the EU's trade commissioner is in Mexico addressing the EU's relationship with Mexico, almost 2 years after the free trade agreement they entered into went into effect.

This is the hemisphere in which we live. Those should be our markets. To lose them through neglect would be a truly shameful outcome for our country.

The bill before us this afternoon, the Andean Trade Preference Act, would renew but also enhance our commitment to helping the Andean region: Colombia, Ecuador, Peru, and Bolivia. It would help them, but it also would help us. It would help them to develop economic alternatives, for example, to drug crop production. The Andean Preference Act expired on December 4,

2001. The law provides preferential, mostly duty-free treatment on selected U.S. imports from the region.

The countries of the Andean region certainly need our help, and we need their help. For the past 10 years, the Andean Trade Preference Act has helped the United States and these four countries develop legitimate, strong, and expanding commercial ties. Between 1991 and 1999, total two-way trade nearly doubled between our countries.

During this same time period, U.S. exports grew 65 percent, and U.S. imports from these countries increased by 98 percent.

In 1999, a severe economic recession in the region did, in fact, curb U.S. exports, but U.S. imports continued to grow by 17 percent. U.S. imports to Colombia during this same time increased 155 percent since ATPA was enacted. The Colombian flower industry is a prime example of how U.S. trade policy can support important economic benefits both in Colombia and here at home and at the same time provide jobs and income to people so they do not feel the necessity to become involved in the drug trade.

In 1965, Colombia exported just \$20,000 worth of flowers to the United States. Today, these exports total nearly \$600 million. The flower industry generates 75,000 direct jobs in Colombia, jobs that offer year-round stability and health and retirement benefits, not to mention a legitimate economic alternative to illicit drug production.

The Colombian industry also directly generates 7,000 U.S. jobs. Indirectly, even more jobs are created, with U.S. supermarkets employing more than 24,000 people in their flower departments, and U.S. flower shops employing nearly 125,000 people.

We also have substantially increased our exports to the Andean region. Under ATPA, our exports have gone up by 84 percent, to \$6.6 billion in the year 2000.

Despite these gains, ATPA must be expanded. NAFTA and the Caribbean Basin Initiative have changed the playing field and have created a competitive disadvantage for Andean countries. For example, most Caribbean apparel enters the United States duty free, while Andean apparel enters with a 14-percent duty. We also must remember that ATPA is about more than just trade. This is an issue of national security.

The stability of the Western Hemisphere is at stake. Open markets are absolutely vital for developing nations to overcome poverty and create opportunity. Fragile economies place peace and democracy at risk.

With aid, with trade, and with democracy, we can foster peace among our neighbors. It is in our national interest to pursue an aggressive trade agenda in the Western Hemisphere, to combat growing threats and promote prosperity. Free markets and open

trade are the best weapons against poverty, against disease, against tyranny and, yes, against the drug dealers.

For example, if Africa, Asia, and Latin America were each to increase their share of world exports by just 1 percent, it would lift 128 million people out of poverty, with all the consequences that would have. Tariff barriers on products from the Third World are more than four times higher than those encountered by richer nations. Such barriers cost poor countries approximately \$100 billion a year. That is twice as much as these nations receive in foreign aid. Tariff barriers on products from the Third World are more than four times higher than those encountered by richer nations.

Mr. President, I urge my colleagues to join me in support of renewing and expanding the Andean Trade Preference Expansion Act. It is the right thing to do for our neighbors and for our businesses at home. It is the right thing for our country.

HIV/AIDS IN OUR HEMISPHERE

Mr. DEWINE. Mr. President, I want to take a moment to discuss a critically important issue in our hemisphere—the growing problem of HIV/AIDS in the Caribbean and Latin America.

Today, there are an estimated 420,000 individuals living with HIV/AIDS in the Caribbean, and another 1.4 million living with the disease in Latin America. In Haiti alone, roughly 1 out of every 10 people has HIV/AIDS.

Yet despite these staggering numbers and despite the fact the highest prevalence of HIV/AIDS—outside of Sub-Saharan Africa—exists right in our own backyard, this region of the world is often forgotten, and the people who suffer there because of AIDS are often forgotten. While, understandably, much attention has been focused on the great tragedy caused by the disease in Sub-Saharan Africa—and we should never forget it—I think it is also important that we also focus our efforts on combating this disease in our own hemisphere.

That is why I want to call attention to a historic, day-long meeting held just last week in Georgetown, Guyana. While it received very little attention in the media, on April 20, senior U.S. and Caribbean health officials, including Health and Human Services Secretary Tommy Thompson, met in Guyana to sign a new Pan-Caribbean agreement against HIV/AIDS.

I commend Secretary Thompson, Secretary Powell, and President Bush for their leadership and follow through in making this vision a reality. Last week's meeting and subsequent agreement represents an unprecedented new partnership to fight the disease in the region. As part of this new agreement, the U.S. and Caribbean nations have pledged to improve collaborative efforts to make sure people living with HIV/AIDS, and those at risk, have good